

TITLE 14. Fish and Game Commission Notice of Proposed Changes in Regulations

NOTICE IS HEREBY GIVEN that the Fish and Game Commission (Commission), pursuant to the authority vested by section 1050, of the Fish and Game Code and to implement, interpret or make specific section 1050 of said Code, proposes to add Section 704, Title 14, California Code of Regulations, relating to the Automated License Data System-License Buyer Surcharge.

Informative Digest/Policy Statement Overview

The Legislature and Control Agencies gave the Department of Fish and Game (DFG) approval to purchase and implement the new Automated License Data System (ALDS). The contract for this system, signed on July 12, 2006, requires the outsourced contractor to design, develop, implement and operate the ALDS through December 31, 2013. The DFG is working with the contractor on the system design phase of this project. This regulation change proposal is the second of several proposals to allow DFG to use the new system.

Pursuant to Section 1050 of the California Fish and Game Code, this regulatory package seeks to implement a license buyer surcharge of three percent for recreational anglers and hunters. The surcharge would be added to recreational licenses, tags, permits, reservations or other entitlements purchased through the ALDS at all sales channels including DFG offices, License Agent locations, the Internet and telephone. For example, the price of a 2007 Resident Hunting License is \$35.50. If purchased under ALDS the customer would pay an additional three percent surcharge of \$1.07 for a total of \$36.57. (Note: The total price of \$36.57 does not include the five percent License Agent handling fee). This surcharge would allow DFG to supplement the monetary obligation of this contract and mitigate the need to further impact the Fish and Game Preservation Fund.

According to the ALDS Project Funding plan, the total cost of the ALDS project from July 1, 2007, through the duration of the contract on December 31, 2013, is \$30.8 Million. DFG will recover \$9.5 Million from staff reductions and expenses eliminated after implementation of the ALDS; \$3.7 Million from the California Department of Child Support Services in reimbursements for participation in the State License Match System (SLMS); and \$2.9 Million of earned interest income and accelerated license sales revenues made possible by the ALDS. In addition, the three percent license buyer surcharge will provide additional revenue of approximately \$16.2 Million.

This funding plan also includes a budget reserve of approximately \$250,000 per year to be utilized for unanticipated costs and system modifications to facilitate ongoing statute or regulatory changes. At the conclusion of the contract, December 31, 2013, DFG will own all ALDS hardware and software rights to operate the system without a contractor.

RESEARCH CONDUCTED ON LICENSE BUYER SURCHARGE

In March 2005, DFG conducted an opinion survey of likely license buyers during the Long Beach Sports Show. Below is a summary of our findings:

- The majority of customers were anglers only. Only 11 percent of customers were big game hunters and 9 percent were waterfowl hunters.
- Approximately 75 percent of customers indicated they support DFG's plan to automate the licensing system.
- Approximately 86 percent of customers indicated their willingness to pay an additional fee per license towards an automated licensing system.

BENEFITS OF THE ALDS

The implementation of the ALDS provides DFG the ability to:

- Increase efficiencies, streamline processes and enhance customer services.
- Increase the accuracy and timely reporting of license sales revenues.

- Meet the increased demand for relevant and scientifically defensible data for resources management purposes.
- Provide online, real time access for all DFG offices and law enforcement dispatch centers.
- Allow participation in multi-State and Agency projects, e.g., Hunter Education and law enforcement compacts.
- Create licensee databases to improve resource management decisions, identify customer opinions and attitudes, develop marketing strategies, and retain or restore hunter and angler participation.
- Meet Federal and State data collection and reporting mandates not currently achieved, e.g., the SLMS
- Offer new and related State and Federal services to a broader range of customers, such as, State Park Day Use Permits, Electronic Federal Duck Stamps and National Forest Adventure Passes.

The ALDS also provides the following benefits to license customers:

- Increases access to license items by making more items available for sale at License Agent locations, the Internet and the telephone.
- Streamlines the license process by eliminating the current manual paper based issuance process making it quicker and easier to buy a license.
- Subsequent year purchases, including duplicate licenses sales, will be faster and easier as customer data will be stored and retrieved instantly eliminating the need for customers to fill out paperwork for every purchase.
- Ensures customers are properly licensed.
- Allows customers to enter drawings and obtain drawing results at License Agent locations and via the Internet.

In addition, the ALDS provides the following benefits to License Agents:

- Reduces the risk of untimely and un-collectible license sales revenues.
 - Eliminates cumbersome manual issuance and accounting of license inventory.
 - Eliminates the risk of running out of license inventory.
- Increases revenue potential as items now only available at DFG offices, will be available for sale at License Agent locations.

NOTICE IS GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the Truckee Donner Public Utility District Board Room, 11570 Donner Pass Road, Truckee, California, on June 8, 2007, at 8:30 a.m., or as soon thereafter as the matter may be heard.

NOTICE IS ALSO GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held in the Bridgeport Memorial Hall, 75 North School Street, Bridgeport, California, on July 13, 2007, at 8:30 a.m., or as soon thereafter as the matter may be heard. It is requested, but not required, that written comments be submitted on or before July 9, 2007 at the address given below, or by fax at (916) 653-5040, or by e-mail to FGC@fgc.ca.gov. Written comments mailed, faxed or e-mailed to the Commission office, must be received before 5:00 p.m. on July 10, 2007. All comments must be received no later than July 13, 2007, at the hearing in Bridgeport, CA. If you would like copies of any modifications to this proposal, please include your name and mailing address.

The regulations as proposed in ~~strikeout~~-underline format, as well as an initial statement of reasons, including environmental considerations and all information upon which the proposal is based (rulemaking file), are on file and available for public review from the agency representative, John Carlson, Jr., Executive Director, Fish and Game Commission, 1416 Ninth Street, Box 944209, Sacramento, California 94244-2090, phone (916) 653-4899. Please direct requests for the above mentioned documents and inquiries concerning the regulatory process to John Carlson, Jr., or Jon Snellstrom at the preceding address or phone number. **Mr. Richard Reyes, License and Revenue Branch, Department of Fish and Game, phone (916) 928-6899, has been designated to respond to questions on the substance of the**

proposed regulations. Copies of the Initial Statement of Reasons, including the regulatory language, may be obtained from the address above. Notice of the proposed action shall be posted on the Fish and Game Commission website at <http://www.fgc.ca.gov>.

Availability of Modified Text

If the regulations adopted by the Commission differ from but are sufficiently related to the action proposed, they will be available to the public for at least 15 days prior to the date of adoption. Any person interested may obtain a copy of said regulations prior to the date of adoption by contacting the agency representative named herein.

If the regulatory proposal is adopted, the final statement of reasons may be obtained from the address above when it has been received from the agency program staff.

Impact of Regulatory Action

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following initial determinations relative to the required statutory categories have been made:

- (a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

The proposed action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

These changes will allow for the automation of the current manual processes involved with the selling/issuing licenses and collection of revenue.

- (b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California:

None.

- (c) Cost Impacts on a Representative Private Person or Business:

License buyers of recreational items would pay a three percent surcharge on all licenses, tags, permits, reservations or other entitlements purchased through the ALDS at all sales channels including DFG offices, License Agent locations, the Internet and telephone. For example, the price of a 2007 Resident Hunting License is \$35.50. If purchased under ALDS, the customer would pay an additional three percent surcharge of \$1.07 for a total of \$36.57. (Note: The total price of \$36.57 does not include the five percent License Agent handling fee).

- (d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

None.

- (e) Nondiscretionary Costs/Savings to Local Agencies:

None.

- (f) Programs Mandated on Local Agencies or School Districts:

None.

- (g) Costs Imposed on Any Local Agency or School District that is required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4:

None.

- (h) Effect on Housing Costs:

None.

Effect on Small Business

It has been determined that the adoption of these regulations may affect small business.

Consideration of Alternatives

The Commission must determine that no reasonable alternative considered by the Commission, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

FISH AND GAME COMMISSION

Dated: May 25, 2007

John Carlson, Jr.
Executive Director